

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS-102/Expenditure Examination

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I. Goal

The goal of the program is to ensure that the State's payments conform to established standards of propriety and legality and are made promptly.

II. Objectives and Policies

- A. #1 - To ensure prompt payment to contractors and vendors, the program is in the process of converting to the laser printing checks for contract and vendor payments. The program is also reviewing the use of the automated clearing house (ACH) method to further expedite payments to contractors, vendors, and employees.
- B. #2 - To ensure prompt payment of the State's payroll, the program's manual process of entering a payroll information on payroll change schedules will be eliminated upon implementation of the time and attendance system.

III. Action Plan with Timetable

- A. Objective/Policy #1 – To ensure prompt payment to contractors and vendors, the program is in the process of converting to the laser printing checks for contract and vendor payments. The program is also reviewing the use of the automated clearing house (ACH) method to further expedite payments to contractors, vendors, and employees.
  - 1. Required Action – Implementation of laser printing checks would require the following:
    - a. The program working with the Systems Accounting Branch of the Accounting Division and the ICSD's FAMIS and Central Warrant Writer staff will determine what modifications are needed in the vendor payment system to allow laser printing of checks.

- b. Hold meetings with the Department of Budget and Finance to discuss proposed implementation of laser printed checks and the eventual conversion to ACH while resolving any problems that may arise with the established check cashing functions since it is responsible for the treasury operations of the State.
  - c. The program must determine the additional internal control procedures needed to account for the changes in its check issuance procedures that would be impacted by the laser printing of checks.
  - d. The conversion to ACH will require more extension review of current operational procedures.
- 2. Past Year Accomplishment – The program discussed with the Systems Accounting Branch the effects of the conversion to laser printing of checks.
- 3. One Year
  - a. The program has been meeting with Systems Accounting Branch and ICSD to determine requirements to modify the existing vendor payment system and related procedures to implement the laser printing of checks.
  - b. The Department of Budget and Finance has been notified that the conversion to laser printed checks has been set for the fiscal year beginning July 1, 2002 and will inform the program of any anticipated effects that must be addressed.
  - c. The program is currently reviewing what changes will be needed in the program's clerical procedures to ensure internal controls remain intact when converting to laser printed checks.
  - d. The program will order the necessary security paper stock for laser printed checks.

- e. The program, working with the two other branches of the Accounting Division, is currently analyzing how existing policies and processes must be modified to accommodate the ACH method of payment.
  - 4. Two Years – Implement laser printing of contractor and vendor checks.
- B. Objective/Policy #2 – To ensure prompt payment of the State’s payroll, the program’s manual process of entering a payroll information on payroll change schedules will be eliminated upon implementation of the time and attendance system.
- 1. Required Actions – Implementation of the time and attendance system would require the following:
    - a. The program is working with the Systems Accounting Branch of the Accounting Division and the ICSD’s payroll project team will determine what modifications and procedural changes will be needed for data input from the time and attendance system directly to the payroll system.
    - b. The program will need to address whether current computer hardware and systems infrastructure will be sufficient to meet the time and attendance system’s requirements.
  - 2. Past Year Accomplishment – The time and attendance system has been successfully implemented at one facility of the pilot department.
  - 3. One Year
    - a. Continue to meet with Systems Accounting Branch and ICSD to determine solutions and changes needed to accommodate the scheduled phase-in of the time and attendance system by the various departments.

- b. Determine what additional procedural changes are needed in the program's clerical processes to implement the time and attendance system.
- 4. Second Year – Begin implementation of time and attendance system.

#### IV. Performance Measures

##### A. Customer Satisfaction measure

- 1. The change to laser printed checks will insure the timely payment of contractors, vendors, employees, and third party payees (i.e., welfare recipients, unemployment benefits claimants, tax refunds). Since current technology has moved toward laser printers, impact printers and their related parts have become obsolete and very expensive to repair.
- 2. A survey of departments and agencies will be undertaken to confirm whether the elimination of paper payroll change schedules have lessened the workload on the State's payroll staff and whether the change has reduced errors and overpayments.

##### B. Program Standard measure

- 1. The program will still be able to pay contractors and vendors within the established 30 days standard. A majority of private sector companies use the 30 days guideline to determine whether interest will be charged for late payments.
- 2. The elimination of paper submittals will allow the program to use its reduced staffing more efficiently by allowing pre-audit reviews and releases on-line with no paper documents being sent to and from keypunching.

##### C. Cost Effectiveness measure - The program anticipates reduced expenditures needed for its check order since the paper stock will be generic to all funds and the payroll change schedules will be eliminated.